

[MARINA CIRCULAR NO. 2006-003, SERIES OF 2006, February 16, 2006]

REVISED GUIDELINES ON THE ACCREDITATION OF DOMESTIC SHIPPING ENTERPRISES OR ENTITIES

Pursuant to the provisions of Chapter I, Section 3.c. of Republic Act (RA) No. 9295 and Rule I, Section 3 and Rule IV, Section 6.6.1 of its Implementing Rules and Regulations and in order to further rationalize the rules and procedures in the accreditation of domestic shipping enterprises or entities, the following guidelines are hereby adopted:

SECTION 1. OBJECTIVE

1. To foster standards for domestic shipping operations in order to protect public interest;
2. To generate vital information that will enable this Authority to effectively supervise, rationalize and monitor the organizational management, ownership and operation of all domestic shipping enterprises or entities; and
3. To prevent the proliferation of incompetent, inefficient, unreliable and fly-by-night shipowners/operators.

SECTION 2. COVERAGE

All persons, whether natural or juridical, or entities authorized by law to engage in the use of ships for the carriage of passengers and/or cargoes between various ports and places in the Philippines, for hire or compensation with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes for contractual or commercial purposes.

SECTION 3. GENERAL PROVISIONS

1. Accreditation shall serve as a prerequisite to the grant of permits, licenses, authorities, VAT exemption under RA 9295, financial assistance and incentives presently administered or to be administered and for any endorsements that might be made to other relevant government agencies by this Authority.
2. Accreditation shall be valid for a period of three (3) years, and may be renewed for the same number of years.
3. Re-issuance of Certificate of Accreditation shall be made whenever there are changes in the corporate/company name. The Administration shall have to be informed of any change in Incorporators/Directors/Officers in the corporation/company, with no accompanying re-issuance of Certificate of Accreditation.
4. In the event that the shipowner/operator shall acquire a ship, it shall be required to update/to incorporate the additional capital required to cover the new acquisition.

SECTION 4. QUALIFICATION REQUIREMENTS

1. Citizenship/Equity Participation

- 1.1 The applicant must be a citizen and permanent resident of the Philippines;
- 1.2 Commercial partnership wholly owned by Filipino, or a corporation at least sixty percent (60%) of the capital of which is owned by Filipino;
- 1.3 Cooperative duly registered with the relevant government agency.

2. Nature of Business Undertaking

2.1 For corporations, partnerships and cooperatives

The purpose of the entity as reflected in the Articles of Incorporation, Articles of Cooperation or Articles of Partnership, shall include the term "to engage in domestic shipping business/operation".

2.2 For single proprietorships, it shall have domestic shipping business/operation as an activity or concern reflected in the business registration with the Department of Trade and Industry (DTI).

3. Management Competency Requirement

3.1 For Corporations, Partnerships, Cooperatives: at least two (2) of the company's principal officers (e.g., President, Vice-President for Operations, or General Manager or their equivalents) shall have at least two (2) years experience in ship management, shipping operations and/or chartering. Additionally, in case of corporations, the Chief Executive Officer (CEO) and the Chief Operating Officer (COO), or their equivalents, shall be citizens and permanent residents of the Philippines.

3.2 For single proprietorships: the owner/operator or a principal officer shall have at least two (2) years of experience in ship management, shipping operations and/or chartering.

3.3 For owners/operators whose motor bancas have total gross tonnage range from 1-35 GRT, submission of the following documents shall be required instead:

3.3.1 For owner/operator with motor bancas below 3 GRT – Certificate of Number/Permit to Operate of the motor banca and Motorboat Operator License of the motor banca operator.

3.3.2 For owner/operator with 3-35 GRT – Boat Captain License and the Marine Diesel Mechanics.

SECTION 5. CAPITALIZATION REQUIREMENTS

The required paid-up capitalization for an applicant for accreditation/renewal of accreditation shall be: P2,500.00 per gross tonnage of ship(s) owned/operated or

- A minimum of P25,000 per operators; or
- A minimum of P5,000,000 (P 5 M) for the case of operators of tankers and/or barges hauling oil or petroleum products; or
- A minimum of P12,500,000 (P12.5 M) for the case of operators of ship(s) with a total gross tonnage of above 4,999.

For the purpose of estimating the total capitalization requirement, a fraction of a gross tonnage is considered as one gross tonnage.

Below is a tabulation of required paid-up capitalization per operator based on the total gross tonnage of owned/operated ships.

Total GT ship/fleet of ships	Required Paid-Capitalization
10 GT and below	P25,000.00
Above 10 GT to 11 GT	P27,500.00
Above 11 GT to 12 GT	P30,000.00
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Above 4,998 to 4,999	P12,497,500.00
Above 4,999	P12,500,000.00

Specifically, for the case of operators of tanker(s) and/or barge(s) hauling oil or petroleum products, the following shall be the applicable minimum capitalization requirement per operator based on the total gross tonnage of owned/operated ship(s)

Total GT ship/fleet of ships	Required Paid-Capitalization
2,000 GT and below	P5,000,000.00 (P5M)
Above 2,000 GT to 2,001 GT	P5,002,500
Above 2001 GT to 2002 GT	P5,005,000
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Above 4,999	P12,500,000

Herein capitalization requirement shall be complied with upon application for accreditation or renewal of accreditation. However, existing accredited operators effecting changes in the total gross tonnage of ships owned/operated within the validity period of the accreditation shall be required to update/adjust their stockholder's equity according to the foregoing capitalization requirement. Said updating or adjustment shall be made as post-approval condition for the approval of acquisition of additional ship(s) and shall be complied with prior to the issuance of their amended CPC.

SECTION 6. DOCUMENTARY REQUIREMENTS

1. A letter of intent from applicant addressed to MARINA;
2. List of ships owned/chartered (if applicable) indicating ship(s) specifications as supported by corresponding certificate of ownership and routing and schedules;
3. Latest audited financial statements (if company is already in existence/operation);
4. List of incorporators, directors and principal officers and their bio-data with particular emphasis on shipping – related experience or expertise duly supported by documents acceptable to MARINA.
5. For corporations, cooperatives and partnerships – The latest Articles of Incorporation/ Cooperation/Co-partnership and By-Laws approved and registered by the Securities and Exchange Commission (SEC)/Cooperative Development Authority (CDA), reflecting that the purpose of the corporation/partnership/cooperative is to engage in domestic shipping business/operations;

For single proprietorship – The Registration of Business Name/Business License with the DTI.

6. Proof of capitalization requirement:

6.1 For Corporation/Cooperative/Partnership

New companies – paid-up capital reflected in the Articles of Incorporation / Cooperation/Partnership

Existing companies – paid up capital reflected in the Certification issued by the SEC Company Registration and Monitoring Department/CDA and the latest audited financial statement

6.2 For single proprietorship

New Entities – that reflected in the applicant's original application with the DTI and its financial statement and/or the latest copy of the Income Tax Return.

Existing Entities – That reflected in the applicant's duly audited financial statement, or, in the case of applicants who own/operate motor bancas of 35 GRT and below, an unaudited financial statement.

7. Proof of payment of the prescribed fee to be attached to the application for accreditation.

Should any of the foregoing documentary requirements have been submitted in previous transactions with the MARINA {and accordingly verified to be on file with the records of this Authority} such will no longer be required of the applicant, provided that this information are indicated in the applicant's letter of intent.

SECTION 7. SUBMISSION OF REPORTS AND OTHER DOCUMENTS